How To Build Your Customer Obsession Strategy

A Guide To Operationalizing Customer Obsession
Contents

The Path To Customer Obsession   Page 1
Establish Your Customer Obsession Blueprint   Page 2
Audit Your Operations To Know What To Change   Page 5
Look To Examples For How To Start   Page 7
Template: Forrester’s Operations Review   Page 10
The Path To Customer Obsession

According to Forrester’s 2019 Customer Obsession Assessment, just 15% of companies are customer obsessed. But that’s not because they don’t understand the concept. Leaders don’t know how to operationalize customer obsession at their firms. Who should do what? How long should it take? What might it cost?

**CUSTOMER OBSESSION MATURITY**

Firms fall into one of the four levels of customer-obsessed maturity: Customer-Naive, Customer-Aware, Customer-Committed, and Customer-Obsessed.

<table>
<thead>
<tr>
<th>LEVEL</th>
<th>CHARACTERISTIC BEHAVIOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer-Obsessed</td>
<td>Prioritizes customer obsession as a competitive differentiator</td>
</tr>
<tr>
<td>Customer-Committed</td>
<td>Delivers good, yet ad hoc, customer experiences</td>
</tr>
<tr>
<td>Customer-Aware</td>
<td>Can’t get traction with customer-first efforts</td>
</tr>
<tr>
<td>Customer-Naive</td>
<td>Has lost sight of the purpose of the business</td>
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</table>

We’re here to help leaders shorten the distance between understanding the concept of customer obsession and operationalizing it. In this guide, you’ll learn how to:

- Apply the customer-obsessed operating model to your resources, priorities, and constraints.
- Select the right roadmap to customer obsession for your company.
- Inspire your employees to develop customer-obsessed habits.
Establish Your Customer Obsession Blueprint

The processes, talent, culture, structure, technology, and metrics of customer-obsessed firms are customer-led, insights-driven, fast, and connected.¹

THE CUSTOMER-OBSESSED OPERATING MODEL

But just understanding this model won’t make you customer obsessed. You must apply it to your existing resources, priorities, and constraints in order to know what operational changes to make.

DETERMINE YOUR COMMITMENT FIRST

Business model adjustments, the transformation of product and service delivery, channel partner overhauls, and a reset of day-to-day work habits can all be outcomes of customer obsession efforts. But what should result for you from customer obsession depends on four things: 1) your purpose for customer obsession; 2) the way you express customer obsession; 3) how customer obsession drives your growth; and 4) how customer obsession aligns with your company goals.

Your purpose for customer obsession. Mercedes Benz USA initiated customer obsession to defend its market leadership.² Ritz-Carlton used it to distinguish itself from the competition.³ Bank of Montreal needed to rebuild following financial crises. Step one in operationalizing customer obsession is to know, clearly, why you are pursuing it now. Delta Dental strives to be customer obsessed in order to counter disruption from healthcare startups. Ambitious goals work here, as long as they are realistic.⁴ Australian financial services firm Westpac started on its path to being “one of the world’s great service companies” by first becoming a better bank.⁵
The way you express customer obsession. Forrester sees three common expressions of customer obsession, noted below — “Count on us” (reliability), “At your service” (service), and “On your side” (advocacy) — depending on a company’s strengths and what its customers value. That’s right: You don’t have to offer Zappos-like customer service to be customer obsessed. In fact, indiscriminately scaling customer service can cost millions and work against a brand’s purpose. Volker Probst, director of continuous improvement for Align Technologies, agrees: “Rather than trying to be the best CX company out there, I want to make a difference in the things that customers are passionate about.”

How customer obsession drives your growth. The size and nature of your customer obsession commitment should depend on the returns it will drive. Caterpillar Financial modeled the effects of improved customer loyalty on revenue over five years to size its customer experience (CX) transformation before launch. Crowe invested in satisfying its customers after learning that they buy more and cost less. Mercedes Benz USA invested in dealer education because a 10% improvement in dealer staff engagement lifted per-dealership sales by $376,000.
How customer obsession aligns with your company goals. CX coach Jeanne Bliss finds that when companies think of customer obsession just as a “reaction to bad scores or lousy social media,” they “exhaust everyone by doing body slams to make right by the customer.”

It’s better to treat customer obsession as a growth strategy that enables corporate plans over chronic heroism that can interfere with other priorities.

Volker Probst calls this “linking [customer obsession efforts] to daily work.” And as CX consultant Scott Doniger explains, it helps if “everyone knows where you are trying to go and why.” CenturyLink broke its CX vision into five operating objectives to guide day-to-day performance.

Remember these four dimensions to determine your approach to customer obsession:

1. **THE WHY**
   What is your reason for pursuing customer obsession now?

2. **THE SCOPE**
   What is a reasonable way to manifest customer obsession for your business, based on capabilities and customer expectations?

3. **THE VALUE**
   How much will customer obsession bring to you?

4. **THE BREAKDOWN**
   How exactly will day-to-day work change — for everyone — in order to achieve your scope?
Audit Your Operations To Know What To Change

Remember that customer obsession is an ongoing way of working, not an end state. Even so, you'll need a clear vision for where you want to go in order to rally enterprisewide participation and create a successful strategy for the transformation.

Sketch out your ideal state, find images that express what that looks like, and then list how customers will feel once you are customer obsessed.

Your model for your expression of customer obsession will guide how you transform your operations.

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INTRODUCING FORRESTER’S OPERATIONS REVIEW

Drawing from the Operating Model Canvas created by Andrew Campbell of the Hult Business School, we're introducing the Forrester Operations Review — a model to help leaders analyze the gaps between their current operations and what they need in order to be customer obsessed. Here's how to use the Forrester Operations Review Worksheet included in this guide:

1. Plot out what you need in order to build your customer-obsessed approach. The Forrester Operations Review helps you with backward planning: Start with an ideal state as a goal and then set the capabilities, hard goods, resources, and habits needed in five areas to reach that state. It helps businesses (and individuals) achieve a bolder future than when they plan based on current limitations.
2. Document your current resources. Now document your current materials, staff, and processes in each category using our model. The gap between what you need and what you have determines your five-year plan. Beware of “false positives”: Jeanne Bliss finds that companies waste millions because groups misrepresent their strengths or fail to align on priorities.16

3. Prioritize the gaps that are both critical and easiest to fill. Structure upgrades into a simple near-term, medium-term, and long-term timeline so that your to-do list isn’t overwhelming. Critical changes are those necessary to respond urgently to competition, to assuage the concerns of treasured customers, or to set the foundation for everything else: Amadeus physically relocated its technology, relationship managers, and solutions teams to the markets where it had key customer accounts so that proximity could inform subsequent efforts.17 Easy revisions are doable within current constraints. For example, during a Forrester workshop, one agency client established “no-device meetings” to remove the distractions that reduced meeting productivity.18
Look To Examples For How To Start

We’ve highlighted how three companies — one each for “Count on us,” “At your service,” and “On your side” — operationalize customer obsession to help you think more tangibly about how you can do the same. Technology company CenturyLink, retailer Nordstrom, and nonprofit AARP all put the customer at the center of their leadership, strategy, and operations in order to drive business growth.

CENTURYLINK

Ninety-year-old, publicly traded technology firm CenturyLink has grown over the past 15 years primarily through acquisitions. Leaders (wisely) turned to voice of the customer (VoC) data to determine what else (besides buying more companies) would boost its revenues and keep shareholders happy. VoC data showed that reliable operations — like quick, on-time service installs — were the primary contributor to customer retention.

NORDSTROM

The Nordstrom Way defines the standard for unequaled customer service across industries, not just in retail. Nordstrom believes in hiring people who share its values and then trusting them to build profitable customer relationships.

AARP

AARP’s CX transformation isn’t just to fix inconsistent customer interactions. The organization wants a new way of working for the long term so that it can flexibly advocate for each of the diverse populations of Boomers, Gen Xers, and Millennials who will make up its constituency by 2030. Customer input — that they rely on AARP to reduce the complexity of life events like going through an employment or mobility change — clearly established AARP’s purpose as a customer advocate. Further internal meetings identified critical workstreams, targeted possible barriers, and assigned responsibilities to catalyze progress.
Inspire Every Employee To Work In A Customer-Obsessed Way

Executives decide corporate strategy and operations, but it is the actions of the workers in a firm that determine whether executive decisions succeed or fail. To convince all the employees at your firm to overhaul the way they work, you need them to understand and value their role in your company’s customer-obsessed vision. Here’s how:

- **Show them why they should bother.** The “corporate turnaround” hook won’t be as motivating to staff as using customer obsession as the call to action to achieve a higher purpose for their community and society overall. This starts with leaders demonstrating their willingness to be pushed out of their comfort zone in order to pursue customer obsession. Good leaders also connect day-to-day work with a larger cause. KPMG grew the fastest of the big four accounting firms when it focused on how its work “championed democracy,” “helped farms,” and “combatted terrorism”: More than 90% of its employees were inspired to continuously improve when they felt invested in the firm’s higher purpose.

- **Get personal.** Travel technology company Amadeus used personal communications to get staff behind its customer-obsessed effort to physically relocate critical resources into the markets of key customers. Chief people and culture officer, Sabine Hansen Peck, explains: “We are an engineering company. Facts matter. But creating emotional enthusiasm was important, too.” John Hancock Financial innovates by reminding employees that customers are human: It plays customer calls at company meetings, puts decals of customer footprints around the office, and displays customer quotes as screen savers and on breakroom TVs.

- **Make change comfortable.** People are naturally averse to change. So, instead of abruptly pivoting, wise leaders gradually guide staff to be poised, enlightened, adaptable, and knowledge seeking. John Hancock Financial’s iterative approach to customer obsession creates more satisfied employees. Volker Probst celebrates in daily standup meetings the creative ways employees solve doctors’ problems. And leadership coach Margie Warrell advises you to “reward brave behaviors, not just results.” These all condition confident employees to embrace future transformations with optimism, not trepidation.
Chart Your Path To Customer Obsession

Forrester can help you chart a path to customer obsession. Our research is rooted in the customer, backed by hundreds of thousands of insights, and helps shorten the distance between vision and superior execution.

LEARN MORE

What It Means Podcast

The age of the customer isn’t a tagline — it’s a fundamental shift in the market that is forcing companies and executives to change course. In Forrester’s What It Means podcast, we’ll examine those changes, what they mean, and what executives can do about them.

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## FORRESTER’S OPERATIONS REVIEW

**Step 1:** Plot your capabilities in each of five areas

<table>
<thead>
<tr>
<th>IDEAL</th>
<th>CURRENT</th>
<th>GAPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>What do you need to accomplish your expression of customer obsession?</td>
<td>What do you have today?</td>
<td>What don't you have that you need?</td>
</tr>
</tbody>
</table>

### ORGANIZATION:
Skills, personality type, structure, and accountabilities

### LOCATION:
Physical and digital branches, stores or offices, building requirements, and infrastructure

### PARTNERS:
Suppliers, contractors, consultants, vendors, and agencies

### INSIGHTS:
Data assets, information, and information systems

### MANAGEMENT:
Process, planning, measurement, and governance
Step 2: Sort capabilities by their ease and importance to create your customer obsession roadmap and priorities

<table>
<thead>
<tr>
<th>CRITICAL</th>
<th>MINOR</th>
<th>DIFFICULT</th>
<th>EASY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium-term priorities</td>
<td>Near-term priorities</td>
<td>Long-term priorities</td>
<td>Medium-term priorities</td>
</tr>
</tbody>
</table>

How important is a given change to the growth of your business?

How hard will it be for your firm to implement a given change?
Endnotes

1 See the Forrester report “Operating A Customer-Obsessed Enterprise [157859].”


4 Source: Interview with Steve Loyka, director, experience strategy at Delta Dental, 2019.

5 See the Forrester report “Operating A Customer-Obsessed Enterprise [157859].”

6 See the Forrester report “Conquer Three Emotional Territories To Power Your Brand Experience [140073].”

7 Source: Interview with Volker Probst, director of continuous improvement at Align Technologies, 2019.

8 See the Forrester report “Case Study: The CX Transformation Success Secrets Of Crowe [143751].”


11 Source: Interview with Scott Doniger, CX consultant, 2019.

12 Source: Interview with CenturyLink, 2019.

13 See the Forrester report “The Customer Obsession Assessment [136701].”


16 Source: Interview with Jeanne Bliss, customer experience coach at Customer Bliss, 2019.

17 Source: Interview with Sabine Hansen Peck, chief people and culture officer at Amadeus, 2019.

18 The four characteristics of a customer-obsessed business are to be customer-led, insights-driven, fast, and connected. Forrester has a workshop where we work through what might be keeping a company from being mature in each of these characteristics. In the case of this agency, it determined that instead of adding to its productivity, meetings were taking up time without moving projects forward. One effort to solve this was to keep people from being distracted during meetings by asking them to leave their devices (and associated email or text interruptions) alone at meeting times.


20 Nordstrom’s nine most significant values are trust; respect; loyalty; awareness; humility; communication and collaboration; competition and compensation; innovation and adaptation; and give back and have fun.


22 Source: Interview with Steve Loyka, director of AARP experience at AARP, 2019.

Endnotes Continued

24 “To achieve success on the battlefield, there must be belief in the mission. The battlefield commander must exhibit a passionate connection to what they are trying to accomplish. The same applies on the business battlefield. To successfully lead change and transform an organizational culture, senior leaders must first transform their mindset and embrace the fact that they will be pushed outside of their comfort zone. Then and only then will their words and actions become authentic. Authenticity and belief are what inspire the team to come together and achieve lasting change.” Source: Brent Gleeson, “How Great Leaders Transform A Broken Culture,” Forbes, June 12, 2017 (https://www.forbes.com/sites/brentgleeson/2017/06/12/how-great-leaders-transform-a-broken-culture/#674d8a1e2b29).


27 Human nature craves the familiar over the unfamiliar, so the key to affecting positive change is to make the change feel familiar. See the Forrester report “How People Choose [122530].”

28 See the Forrester report “PEAK Human: The EX Equation For Dominating Our Transformation-Filled Future [154775].”


30 See the Forrester report “PEAK Human: The EX Equation For Dominating Our Transformation-Filled Future [154775].”